



## News Release

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**ANSWERS TO FREQUENTLY ASKED QUESTIONS  
ABOUT THE ADVANCE PAYMENT MAILOUT**

WASHINGTON – The Treasury Department will send out 8 million advance payment checks today, marking the second week of a mass mailing that is expected to continue until the end of September. This week's checks are worth about \$3.4 billion.

The IRS emphasized that taxpayers don't need to call, fill out special forms or do anything else to receive the check. The IRS will automatically initiate any check due once it has processed the person's 2000 tax return.

The IRS has handled large volumes of calls on its toll-free hotlines since mailing notices about the advance payments to taxpayers who filed returns earlier this year. The IRS noted that much of the information taxpayers are looking for may be found in the notices or on the IRS Web site at [www.irs.gov](http://www.irs.gov).

To help taxpayers with questions about the advance payments, the IRS has these answers to some of the most common questions being asked.

**1. Who doesn't qualify for an advance payment check this year?**

If you did not pay any income tax for 2000, you are not eligible for the advance payment. Your 2000 return will show if you did not pay income tax. If line 51 on Form 1040 is zero, there was no income tax and you will not receive an advance payment check. Form 1040A filers should look at line 33; 1040EZ filers, line 10.

If you could be claimed as a dependent on another person's 2000 return, you are also ineligible for an advance payment. Look at Box 6a on Form 1040 or 1040A. If you used Form 1040EZ, look at which box you checked on line 5. If you left Box 6a blank, or you checked "yes" on Form 1040EZ's line 5, you will not get an advance payment.

**2. I moved after I filed my taxes – how will my check will get to me?**

If you've moved since filing your tax return, you should file a change of address form with the U.S. Postal Service. Unlike some government checks, these can be forwarded to a new address.

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**3. I paid taxes last year, and I wasn't anyone's dependent – how come I'm not getting an advance payment check?**

You may have paid Social Security taxes or self-employment tax, but you must have paid income tax for 2000 to get an advance payment check.

For this information, look at your Form 1040, line 51 – if it's zero, then you did not pay any income tax. For Form 1040A, see line 33; Form 1040EZ, see line 10. Line 56 of Form 1040 or line 35 of Form 1040A are not the correct lines to check – they include other taxes and advance earned income credit amounts.

**4. I had income tax withheld from my pay all year -- why does the IRS say I didn't pay any tax?**

You may have had income taxes withheld from your paychecks, but then you got all of that withholding back through a refund.

This would happen if your exemptions and deductions reduced your taxable income to zero, or if certain credits, such as the child tax credit or education credits, reduced your tax to zero. In such cases, you did not pay any income tax and you do not qualify for an advance payment check. But if you had a tax liability before subtracting the Earned Income Tax Credit, you would be able to get a check.

**5. I think my advance payment check is the wrong amount – what can I do?**

Your check may have been reduced – even to zero – by taxes you owed or by non-tax federal debts, such as certain child support obligations or student loans. In such a case, you should receive a letter explaining the reduction.

The advance payment amount is based on the information shown on your 2000 tax return or as adjusted by the IRS during processing. The IRS cannot re-figure the amount because of later adjustments or an amended return.

**6. I heard that the advance payments were for \$300, but mine is only \$100 – is there any way I can get the rest?**

The advance payment is based on your 2000 taxes, but your situation may be different this year. If your advance payment – before any reduction for taxes or other debts – is less than the maximum permitted for your filing status, you may be able to claim an additional credit when you file your 2001 tax return. The maximum amounts are \$300 for single or married filing separately; \$500 for head of household; and \$600 for married filing jointly or qualifying widow(er). A worksheet in the tax instructions will help you to figure any credit you qualify for, based on your 2001 tax data.

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**7. My spouse and I made more than \$12,000 last year -- how come we're not getting a \$600 advance payment check?**

The advance payment is based on your taxable income, not your gross income. Your taxable income is what's left after you subtract your standard or itemized deductions and your personal exemption amounts.

For example, a couple with two children would have four personal exemptions, worth \$11,200, and a standard deduction of \$7,350, for a total subtraction of \$18,550. This couple would need gross income of at least \$30,550 to have a taxable income of \$12,000 and get the maximum \$600 advance payment.

**8. I filed my return by mid-April and I know the IRS received it because my tax payment check was cashed. Why haven't I gotten a notice about my advance payment?**

Some taxpayers who filed their returns by the April deadline and sent a payment with the return may not yet have received a notice about their advance payment check. If you are getting a check, you will receive a notice, but it may not arrive until a week or two before the check does. If you are not eligible for a check, you will receive a notice to that effect after your return is processed.

When the IRS prepared the names in June for the initial notice mailout, it had not finished processing all the returns filed in April. This is because it first processes the payment checks, then the refund returns, and finally the returns that came with the payments. The IRS usually completes this third stage of processing sometime in July.

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